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FISCAL IMPACT STATEMENT

LS 6677
BILL NUMBER: SB 232

NOTE PREPARED: Dec 28, 2011
BILL AMENDED:

SUBJECT: Unemployment Compensation.

FIRST AUTHOR: Sen. Young R Michael
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 X FEDERAL

IMPACT: State & Local

Summary of Legislation: *Administrative Hearings:* The bill requires that a hearing scheduled before an administrative law judge or the unemployment insurance review board must be held with all interested parties participating in person, if any interested party objects to the hearing being scheduled as a telephone hearing. It requires the Department of Workforce Development (DWD) to amend its administrative rules concerning telephone hearings before December 31, 2012.

Unemployment Benefits: The bill removes a provision that permits an individual to receive unemployment benefits when the individual voluntarily separates from employment to move to another labor market to join a spouse.

The bill also makes technical corrections and conforming amendments.

Effective Date: Upon passage; July 1, 2012.

Explanation of State Expenditures: *Administrative Hearings:* The bill requires that a hearing scheduled before an administrative law judge or the Unemployment Insurance Review Board must be held with all interested parties participating in person, if an interested party objects to holding the hearing over the telephone. Currently, if an interested party has a valid reason to object to a telephone hearing, the hearing is held in person. If the provision leads to more in-person hearings, administrative costs for DWD would increase. Administrative costs for this program are paid for through a federal grant.

Unemployment Benefits: This bill would no longer allow individuals to receive unemployment benefits who voluntarily separate from their jobs to move to another labor market to join a spouse. The impact on the state

would be as a employer and also on the Unemployment Trust Fund. The effect on the state as an employer would probably be minor. The cost of providing this benefit is currently mutualized to nonreimbursable Indiana employers, and would represent slightly lower unemployment insurance costs for Indiana employers.

In 2010, approximately 500 individuals received unemployment benefits who quit their jobs to join a spouse in another labor market. The average weekly benefit amount is approximately \$300 per week, and the average length of a claim has varied between 13 weeks before the recession to 20 weeks during the recession. Based on historical data, this provision would decrease unemployment benefit payments by approximately \$2 M to \$3 M annually.

Explanation of State Revenues:

Explanation of Local Expenditures: The effect on locals units would be as an employer and would be minor.

Explanation of Local Revenues:

State Agencies Affected: All; DWD.

Local Agencies Affected: All.

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